

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2016

Docket No. ACR2016

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 2-4 AND 7-13 OF CHAIRMAN'S INFORMATION REQUEST NO. 16

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 16, issued on February 10, 2017. Each question is stated verbatim and followed by the response. Responses to Questions 1 and 5-6 are still being prepared.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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2. The Postal Service reports the percentage of External First-Class First-Class Mail Single-Piece Letters/Postcards with automated area distribution center/area distribution center processing delays for FY 2015, Quarter 1 through FY 2016, Quarter 2.¹ Please provide this information for the remainder of FY 2016 using the format in Service Response at 16, Figure 10.

RESPONSE:

Percentage of EXFC First-Class Mail Single-Piece Letters/Postcards with AADC/ADC
Processing Delays

Qtr / Svc Std	2 Day	3-5 Day
FY16 Q4	0.36%	4.81%
FY16 Q3	0.36%	5.22%
FY16 Q2	0.69%	10.04%
FY16 Q1	0.76%	11.05%
FY15 Q4	0.59%	10.04%
FY15 Q3	0.68%	11.00%
FY15 Q2	1.78%	19.99%
FY15 Q1	1.12%	8.79%

Air

Qtr / Svc Std	3-5 Day
FY16 Q4	7.07%
FY16 Q3	7.63%
FY16 Q2	13.73%
FY16 Q1	14.67%
FY15 Q4	14.53%
FY15 Q3	14.87%
FY15 Q2	26.13%
FY15 Q1	14.33%

Ground (Surface)

Qtr / Svc Std	3-5 Day
FY16 Q4	3.41%
FY16 Q3	3.74%
FY16 Q2	7.83%
FY16 Q1	8.88%
FY15 Q4	7.36%
FY15 Q3	8.75%
FY15 Q2	17.37%
FY15 Q1	6.36%

¹ Docket No. ACR2015, Second Response of the United States Postal Service to Commission Requests for Additional Information in the FY 2015 Annual Compliance Determination, June 27, 2016, Service Improvement Plan at 16 (Service Response).

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3. Please refer to the Postal Service's response to Chairman's Information Request No. 3, question 33, regarding the difference between the "Product Tracking System" (PTS) and the "Product Tracking and Reporting System" (PTR).² With regard to these two systems:
- a. Please confirm that both PTS and PTR are internal measurement systems based on over-the-counter and delivery confirmation scans. If not confirmed, please explain.
 - b. Please confirm that both PTS and PTR operate based on barcode scans of parcels utilizing the Postal Service's tracking service. If not confirmed, please explain.

RESPONSE:

- a. Confirmed. Over-the-counter refers to retail products. Delivery confirmation is branded as "USPS Tracking®." Both systems are based on retail scans and USPS Tracking scans.
- b. Confirmed.

² Responses of the United States Postal Service to Questions 1-2, 4-9, 11-13, 15-19, 23, 28, and 31-33 of Chairman's Information Request No. 3, January 13, 2017, question 33.

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4. Section 3055.5 of title 39 of the Code of Federal Regulations requires the Postal Service to "file notice with the Commission describing all changes to measurement systems, service standards, service goals or reporting methodologies...30 days prior to planned implementation." Please describe the steps the Postal Service will take in the future to ensure that the Commission receives notice of any changes to measurement systems, service standards, service goals, or reporting methodologies at least 30 days prior to planned implementation.

RESPONSE:

The Postal Service Enterprise Analytics organization is aware of the requirement and commits to coordinate with the Postal Service Law Department to ensure timely notification of material changes to market dominant source service performance measurement systems.

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7. Please provide revenue, volume, weight, and attributable cost data for the following four competitive domestic NSA products similar to the data for other competitive domestic NSA products filed with Library Reference USPS-FY16-NP27.³ If the data are not available, please explain.

Selected Contract Grouping	Contract	MC Docket No.	CP Docket No.	Implementation Date	Expiration Date
First-Class Package Service (FCPS)					
	FCPS Contract 33	MC2013-23	CP2013-31	12/28/2012	12/27/2015
	FCPS Contract 62	MC2016-197	CP2016-281	9/27/2016	9/26/2019
Priority Mail Express & Priority Mail	Priority Mail Express & Priority Mail Contract 33	MC2016-186	CP2016-267	9/12/2016	9/11/2019
Priority Mail Express	Priority Mail Express Contract 41	MC2016-180	CP2016-259	8/25/2016	8/24/2019

RESPONSE:

None of these contracts had any shipments in FY2016. Please see the revised workbook showing the complete list of NSAs with no volume in FY2016 (NSAsWNoVolume_FY16.Rev.17.Feb.2017.xlsx), provided under seal in association with this response as part of USPS-FY16-NP39.

³ Library Reference USPS-FY16-NP27, December 29, 2016. The Postal Service revised USPS-FY16-NP27 on January 11, 2017. Library Reference USPS-FY16-NP27, January 11, 2017. All references to USPS-FY16-NP27 in this Chairman's Information Request are to the December 29, 2016 version.

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- 8.** Please refer to USPS-FY16-NP27, Excel file "SupportGround_FY16.xlsx," tabs "ParcelSelectVolumes" and "PRSVolumes."
- a. Please provide the source for the volume data provided in columns B through I.
 - b. Please explain the calculation of the "Total Weight" data provided in column K.

RESPONSE:

- a.
 - The tab "ParcelSelectVolumes" contains the consolidation of destination entry volumes from USPS-FY16-NP1, workbook 2016 Parcel Select BD.xlsx, Sheet "BD Total," Rows 251 through 329, and NSA volumes by weight category from RPW.
 - The "PRSVolumes" contains the consolidation of PRS volumes from USPS-FY16-NP1, workbook 2016 Parcel Return Service BD.xlsx, Sheet "FY2016 BDs (Total)," and NSA volumes by weight category from RPW.
- b. The total weight calculated in Column K assumes that the average weight for each weight category is its midpoint.

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9. Please refer to USPS-FY16-NP27, Excel file "SupportPriority_FY16.xlsx," tab "Inputs." Please file a revised spreadsheet that includes data linked to its source, in lieu of hard-coded values, similar to the linked data provided in USPS-FY16-NP27, Excel file "SupportGround_FY16.xlsx," tab "BaseCosts."

RESPONSE:

Please see the Excel file SupportPriority_FY16.Rev.17.Feb.2017.xlsx , provided under seal in association with this response as part of USPS-FY16-NP39. In some instances, where some hardcoded cells remain, they have been highlighted in red and the corresponding notes have been edited for clarity and to provide further insight.

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- 10.** Please refer to USPS-FY16-NP27, Excel file "SupportFCPS_FY16.xlsx," tab "Inputs."
- a. Please file a revised spreadsheet that includes data linked to its source, in lieu of hard-coded values, similar to the linked data provided in USPS-FY16-NP27, Excel file "SupportGround_FY16.xlsx," tab "BaseCosts."
 - b. Please provide the source for the assumptions in cells C38 and C44.

RESPONSE:

- a. Please see Excel file SupportFCPS_FY16.Rev.17.Feb.2017.xlsx, submitted under seal in association with this response as part of USPS-FY16-NP39. In the one remaining instance of a hardcoded cell, it has been highlighted in red, and the corresponding note has been edited for clarity and to provide further insight.
- b. As indicated in the source notes, the value in cell C38, percentage of transaction time at the window for a prepaid piece, and cell C44, the percentage of commercial parcels entered at retail window, are both judgmental estimates of the respective parameters, as no reliable data source was available. Note, however, that none of the current FCPS cost models use either of these parameters.

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- 11.** Please refer to USPS-FY16-NP27, Excel file "SupportExpress_FY16.xlsx," tab "Inputs."
- a. Please file a revised spreadsheet that includes data linked to its source, in lieu of hard-coded values, similar to the linked data provided in USPS-FY16-NP27, Excel file "SupportGround_FY16.xlsx," tab "BaseCosts."
 - b. Please provide the source data described in cell B86.

RESPONSE:

- a. Please see Excel file SupportExpress_FY16.Rev.17.Feb.2017.xlsx, submitted under seal in association with this response as part of USPS-FY16-NP39. In the one remaining instance of a hardcoded cell, it has been highlighted in red and the corresponding note has been edited for clarity and to provide further insight.
- b. The source data described in cell B86 is reported as part of RPW in USPS-FY16-NP21, workbook "2016 Priority Mail Express BD.xls", Sheet "NSA", Cell B18.

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12. Please see Attachment, filed under seal.

RESPONSE:

Please see the response filed under seal as part of USPS-FY16-NP36.

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13. Please see Attachment, filed under seal.

RESPONSE:

Please see the response filed under seal as part of USPS-FY16-NP39.